

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-287-C - ORDER NO. 2000-791
SEPTEMBER 25, 2000

IN RE: Application of Gulf Coast Communications,) ORDER
Inc. for a Certificate of Public Convenience) GRANTING
and Necessity to Provide Local Exchange) CERTIFICATE TO
Telecommunications Services within the State) PROVIDE LOCAL
of South Carolina.) SERVICES

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Gulf Coast Communications, Inc. ("Gulf Coast" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide local exchange telecommunications services throughout the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed Gulf Coast to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Gulf Coast complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on July 31, 2000.

On August 16, 2000, counsel for SCTC filed with the Commission a Stipulation in which Gulf Coast stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Gulf Coast provided written notice of its intent prior to the date of the intended service. Gulf Coast also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Gulf Coast agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Gulf Coast to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on August 31, 2000, at 11:00 a.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. Gulf Coast was not represented by counsel. Adelaide D. Kline, Staff Counsel, represented the Commission Staff.

Christopher P. Bover, President and Chief Executive Officer of Gulf Coast Communications, Inc., appeared and testified in support of the Application. Mr. Bover stated he has been in the local prepaid telecommunications industry for about three and a half years in the states of Florida, Alabama and Mississippi. He said he is currently the managing director of a local prepaid telephone company in the northwest Florida area. Mr. Bover also has more than ten years experience in the automobile sales, pawn shops, and title loan industries. His everyday

duties at Gulf Coast include responsibility for the overall management of the Company and the handling of applications for certification. He manages a staff of fourteen people responsible for installation, billing, reconnection, disconnection, and customer relations. Gulf Coast is a Florida corporation which was granted a Certificate of Authorization to transact business in the State of South Carolina by the South Carolina Secretary of State on July 13, 2000.

Mr. Boverl testified that Gulf Coast wishes to provide local prepaid telephone service in South Carolina in the BellSouth, GTE South, and Sprint service areas of the state. Gulf Coast is currently offering prepaid local service to almost three thousand customers in three states and has applications for certification pending in Georgia and Louisiana. He said his Company will offer services to business and residential customers but likes to concentrate on residential service. The record reveals that Gulf Coast usually has a presence in other business locations such as title loan offices, rent to own shops, pawn shops and check cashing offices. He said that Gulf Coast will have signage on those kinds of businesses and customers will be able to place their order at one of those office locations and will receive their telephone number and the projected due date for receipt of telephone service at the time the order is placed and payment is made.

Mr. Boverl stated that Gulf Coast possesses the necessary financial qualifications to provide the services for which it seeks authority. Mr. Boverl acknowledged that Gulf Coast has sufficient capital necessary to fund its proposed operations in South Carolina. Gulf Coast provided its financial information with its application to demonstrate Gulf Coast's financial resources. Financial statements filed with the Company's Application and Mr. Boverl's testimony indicate Gulf Coast is financially strong. Mr. Boverl testified that Gulf Coast has several stockholders who would provide a capital infusion should an emergency arise. Mr. Boverl will

be the Company's financial contact person. Mr. Boverl or Mr. Robert Treis, Mr. Boverl's partner and Secretary-Treasurer of Gulf Coast, will be the regulatory contact persons.

Regarding the Company's technical ability and managerial abilities to offer services in South Carolina, Mr. Boverl offered that Gulf Coast has sufficient technical and managerial resources and abilities to provide the services for which authority is sought. He testified that Gulf Coast uses a sixteen tier system with sixteen terminals and a DSL line that comes into the Company. He said that Gulf Coast recently installed the LPS ordering system, Bell type software that handles orders, disconnection, bill reconciliation, and disputes.

As further evidence of the Company's abilities to provide the services for which authority is requested, Mr. Boverl offered that Gulf Coast's billing services will be done in-house. The Company's name and telephone number will appear on the bill. Customers who need to report a repair problem or who have service questions would call the toll-free telephone number 1 (800) 238-8865. Mr. Boverl said the customer care toll-free telephone number will be available twenty-four hours a day, seven days a week. He stated the Company will abide by Commission regulations by providing a five day written notice before a customer is disconnected.

The Company plans to directly market its prepaid local services to customers who have no dial tone due to poor credit or past due balances. Prepaid services are services for which a company does not perform consumer credit checking or application screening and which are paid for prior to service being rendered. Prepaid services are structured to attract customers who do not currently have telephone service, including those customers who have been denied service by other providers. Mr. Boverl stated the Company plans to use local television and radio for its

advertising. Mr. Boveri is aware of the Commission's marketing guidelines and testified the Company does not intend to do any telemarketing in South Carolina.

Mr. Boveri testified that Gulf Coast seeks authority to offer and provide resold local exchange telecommunications services on a prepaid basis. Mr. Boveri testified Gulf Coast has entered into a resale/interconnection agreement with BellSouth, Sprint and GTE South which will be filed with the Commission for approval when Gulf Coast receives its certificate. At this time, Gulf Coast has no prepaid local service customers of its own in South Carolina, has never marketed its services in this State, and has never been denied certification in any state. Mr. Boveri stated customers who wish to change service from another service provider to Gulf Coast would sign a document authorizing the change. He testified the current rate for basic local monthly prepaid service is \$39.95 plus tax. He stated that optional services are available in two different packages.

According to the application and testimony by Mr. Boveri, Gulf Coast requests waivers of two Commission regulations. First, Gulf Coast requests a waiver of 26 S. C. Code Ann. Reg. 103-631 (1976) so that it will not be required to publish its own local directory. Second, Gulf Coast requested that it be exempt from 26 S. C. Code Ann. Regs. 103-610 that requires that its records be kept in South Carolina.

Mr. Boveri affirmed that Gulf Coast will provide services that meet the service standards of the Commission, that Gulf Coast will participate in the support of universally available telephone service at affordable rates as required by the Commission, and that the services provided by Gulf Coast will neither adversely impact the availability of universally affordable local exchange service nor adversely impact the public interest. According to Mr. Boveri,

approval of the authority for Gulf Coast will provide consumers in South Carolina with additional choices of local service, and will offer increased efficiency to the existing telecommunications network. Mr. Bovert also testified that Gulf Coast will operate in compliance with the Commission's Rules and Regulations, orders and statutes.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Gulf Coast is organized as a corporation under the laws of Florida. The Company received a certificate from the South Carolina Secretary of State on July 13, 2000, to transact business in South Carolina.

2. Gulf Coast wishes to provide local exchange services within the State of South Carolina.

3. The Commission finds that Gulf Coast possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1999).

4. The Commission finds that Gulf Coast's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).

5. The Commission finds that Gulf Coast will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1999).

6. The Commission finds that Gulf Coast will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1999).

7. The Commission finds that the provision of local exchange service by Gulf Coast “does not otherwise adversely impact the public interest.” S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Gulf Coast to provide competitive intrastate local exchange services within the State of South Carolina. The terms of the Stipulation between Gulf Coast and the SCTC (attached hereto as Order Exhibit 1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, Gulf Coast may not provide any local service to a customer located in a rural incumbent LEC’s service area, unless or until Gulf Coast provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission’s own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from Gulf Coast that it intends to serve a customer located in a rural incumbent LEC’s service area, and the

Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by Gulf Coast in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. Gulf Coast shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

3. Gulf Coast shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. Gulf Coast shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Gulf Coast shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Gulf Coast shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Gulf Coast to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Gulf Coast shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Gulf Coast shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. Gulf Coast requested waivers from certain Commission regulations and requirements. Specifically, Gulf Coast requested waivers from (1) the requirement found in 26 S. C. Ann. Reg. 103-631 (1976) to publish and distribute local exchange directories, and (2) the requirement found in Regulation 103-610 that its records be kept in South Carolina. For good cause shown, the Commission finds and concludes that Gulf Coast should be granted waivers, as requested, from (1) the requirement contained in Reg. 103-631 to publish and distribute local exchange directories, and (2) the requirement that it keep its records in this State. Gulf Coast has shown that it will arrange with the incumbent local exchange company to include the customers of Gulf Coast in the directory listing of the ILEC directory. Further, the Company has shown that it wishes to keep its records at its headquarters in Pensacola, Florida, and will make its records available for examination by the Commission or its authorized representative at all reasonable hours. Gulf Coast is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.


9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

filed 8/16/00
Accepted 8/17/00

Docket No. 2000-0287-C

Re: Application of Gulf Coast Communications, Inc.)
for a Certificate of Public Convenience and)
Necessity to Provide Local Exchange)
Telecommunications Services in the State)
of South Carolina)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Gulf Coast Communications, Inc. ("Gulf Coast") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Gulf Coast's Application. SCTC and Gulf Coast stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Gulf Coast, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Gulf Coast stipulates and agrees that any Certificate which may be granted will authorize Gulf Coast to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Gulf Coast stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Gulf Coast stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Gulf Coast provides such rural incumbent LEC and the Commission with written notice of its

intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Gulf Coast acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Gulf Coast stipulates and agrees that, if Gulf Coast gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Gulf Coast will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Gulf Coast acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

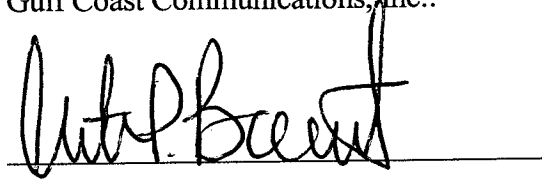
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Gulf Coast, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Gulf Coast agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

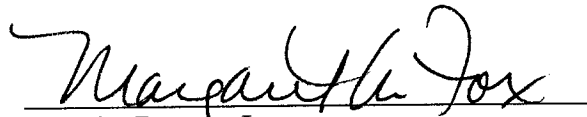
9. Gulf Coast hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 4th day of August, 2000.

Gulf Coast Communications, Inc.:

A handwritten signature in cursive script, appearing to read "M. John Bowen, Jr.", written over a horizontal line.

South Carolina Telephone Coalition:

A handwritten signature in cursive script, appearing to read "Margaret M. Fox", written over a horizontal line.

M. John Bowen, Jr.

Margaret M. Fox

McNAIR LAW FIRM, P.A.

Post Office Box 11390

Columbia, South Carolina 29211

(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

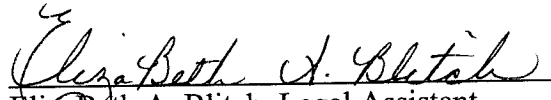
Docket No. 2000-0287-C

Re: Application of Gulf Coast Communications, Inc.)
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of South Carolina)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Mr. Christopher P. Bover
Gulf Coast Communications, Inc.
5260 Mobile Highway
Pensacola, Florida 32526.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

August 16, 2000

Columbia, South Carolina